

Message Text

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DRAFTED BY AMOHANIAN

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WAREN W CLICK ACTING EXECUTIVE VICE PRESIDENT

EB/IFD/OFD/BGCROWE

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R 101609Z FEB 75

FM SECSTATE WASHDC

TO AMEMBASSY JAKARTA

UNCLAS STATE 029691

E.O. 11652: N/A

TAGS: APUB, ID

SUBJECT: PRESS RELEASE ON EXIMBANK CREDIT TO INDONESIA

FOLLOWING IS FINAL TEXT OF EXPORT-IMPORT BANK RELEASE ON THE DIRECT CREDIT OF \$9.8 MILLION TO MINISTRY OF FINANCE, REPUBLIC OF INDONESIA, RELEASE IS SCHEDULED FOR ANNOUNCEMENT HERE IN WASHINGTON, D.C. FOR A. M. PAPERS, THURSDAY, FEBRUARY 20, 1975.

QUOTE: EXIMBANK CREDIT OF \$9.8 MILLION SUPPORTS \$24.5 MILLION SALE OF U.S DREDGES TO INDONESIA

TO SUPPORT A \$24.5 MILLION SALE OF THREE CUTTER SUCTION DREDGES PLUS SPARE PARTS AND RELATED EQUIPMENT TO INDONESIA, THE BOARD OF DIRECTORS OF THE EXPORT-IMPORT BANK OF THE UNITED STATES HAS AUTHORIZED A DIRECT CREDIT OF \$9.8 MILLION TO FINANCE 40 PERCENT OF THE TOTAL U.S. COSTS, ACCORDING TO EXIMBANK'S CHAIRMAN WILLIAM J. CASEY. A CREDIT OF \$12,250,000
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FROM AMERICAN EXPRESS INTERNATIONAL BANKING CORPORATION WILL

FINANCE 50 PERCENT OF THE U.S. COSTS. THE OBLIGOR MINISTRY OF FINANCE, REPUBLIC OF INDONESIA, WILL MAKE CASH PAYMENT OF THE BALANCE OF THE U.S. COSTS OF 10 PERCENT OR \$2,450,000.

THE TWO 2,000 H.P. AND ONE 1,500 H.P. CUTTER SUCTION DREDGES AND SPARE PARTS WILL BE PURCHASED FROM ELLICOTT MACHINE CORPORATION OF BALTIMORE, MARYLAND. THE FIRST DREDGE IS SCHEDULED FOR DELIVERY IN LATE 1975 AND THE OTHER TWO DREDGES FOR DELIVERY IN LATE 1976. THE EQUIPMENT WILL BE OPERATED BY THE DIRECTORATE GENERAL OF SEA COMMUNICATIONS WHICH IS AN ARM OF THE INDONESIAN DEPARTMENT OF TRANSPORT, COMMUNICATIONS AND TOURISM.

THE LOANS ARE TO BE REPAYED IN TWO SCHEDULES OF 14 SEMI-ANNUAL INSTALLMENTS EACH, BEGINNING JUNE 10, 1976, AND JUNE 10, 1977, RESPECTIVELY. EXIMBANK'S DIRECT CREDIT OF \$9.8 MILLION WILL BE REPAYED OUT OF THE LAST 7 INSTALLMENTS OF EACH SCHEDULE WITH INTEREST AT THE RATE OF 8 PERCENT PER ANNUM, WHICH WHEN BLENDED WITH THE PORTION OF THE CREDIT FROM PRIVATE SOURCES, RESULTS IN AN ESTIMATED INTEREST COST TO BE BORROWER, BASED ON CURRENT RATES, OF ABOUT 9.8 PERCENT TO 10.05 PERCENT PER ANNUM.

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